GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Industries and Commerce Department–Extension of certain incentives under Sri Venkateshwara Mobile & Electronic Manufacturing Hub and Electronic Policy 2014-2020 to M/s Dixon Technologies to set up a facility in Tirupati Industrial Area, Chittoor District - Orders-Issued.

INDUSTRIES & COMMERCE(POLICY&INVESTMENT) DEPARTMENT

G.O.MS.No.37 Dated:03.03.2017

Read the following:-

1. Letter dated 20.12.2016 received from Mr.Atul B. Lall Managing Director, M/s Dixon Technologies received though email
2. Letter, dated 03.01.2017 from Mr.Atul B. Lall Managing Director, M/s Dixon Technologies received through email.
3. Empowered Committee Meeting on 25.01.2017
4. State Investment Promotion Board Meeting on 25.01.2017.

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ORDER:-

1. In the reference 1st read above, M/s Dixon Technologies proposed to set up an Industrial Park in Tirupati Industrial Area to manufacture LED Television from screen size 19' to 65", Washing Machine Twin Tub & Single Tub (Fully automatic), LED lighting products (not restricted to but including LED Lamps, Down Lighters, Street light, LED Baton, Mobile Phones, Home Theatres, CFL Lamps for export, Air Conditioners etc.), Injection Moulding Infrastructure for backward integration of all products produced. The company will also be setting up a repair and refurbishment centre for Mobile Phones, LED Television and Digital Set Top Box. The investment in the project is Rs 150 Crore with an employment of 1,500 over a period of 3 years.

2. Accordingly, Government have granted incentives to Dixon Technologies vide G.O.MS.NO. 170, dated 09.12.2016 post the approval of the SIPB in its meeting held on 28.10.2016. The company in the reference 1st and 2nd read above, requested for revised package of incentives which are detailed below:

i. The proposal has been cleared by State Investment Promotion Board in its meeting held on 28/10/2016. On September 22, 2016 GONo.20 was issued outlining New Electronics Policy. The request is that incentives as revised over and above already extended to the company may be allowed as GO was issued prior to their project being cleared.

ii. The company requests that Dixon Technologies and all its subsidiary should be covered under this GO for extension of benefits as well as meeting the obligation. A subsidiary of Dixon Technologies (India) Pvt Ltd can be defined as a unit where Dixon Technologies (India) Pvt Ltd has 50% or more equity. Presently following are Dixon Technologies (India) Pvt Ltd subsidiary
   a. Dixon Appliances Pvt Ltd
   b. Dixon Bhurji MouldingPvt Ltd
   c. Padget Electronics Pvt Ltd
   d. Aditya Dixon Electronics Pvt Ltd
   e. Dixon Global Pvt Ltd

However the GO should not restrict to above companies alone and should allow new subsidiaries if they meet above definition of Subsidiary Company.

iii. In order to develop ancillaries in the Industrial area the company requests that such units if supplying 25% of their production to Dixon Technologies(India) Pvt Ltd or its subsidiaries may be extended the same benefits as being given to them and their subsidiaries.

iv. Dixon project has been cleared by SIPB as a MEGAPROJECT. However, the fact is not mentioned in GO issued to them. Request to specify same in GO.

v. The Company has given commitment that they will be generating employment for over 1000 people within 18 months of start of production.

vi. However, the company requests that when calculating employment generation following should be considered:

   a. All employees of Dixon Technologies (India) Pvt Ltd and its subsidiary as covered by the GO.
   b. Employees working in Dixon technologies (India) Pvt Ltd and its subsidiary but on Third party roll.
   c. It should also include apprentices & Trainees

vii. Lease period for sheds being allotted to the company will be 30 years.

viii. A direct uninterrupted feed from 33 KV substation will be provided and Electrical Panels at all Sheds will be provided.

ix. Government of Andhra Pradesh have kindly agreed for transport subsidy of Rs.500 per person per month but restricted it to Rs.25lakh/Annum against the request of Rs.1000 per person per month. The company respects the decision with regard to Rs.500 per person per month however request that cap of Rs.25 Lakh may be removed and they may be reimbursed this subsidy on workforce employed.

x. The state has agreed for 50% of cost incurred on Training &Skill Development. The company requests that this should be Rs.10,000 per employee as has been given to other Mobile & Electronics Industry.

3. In the reference 3rd read above, the Empowered Committee of Secretaries (EC) examined the proposal of M/s Dixon Technologies, in detail and the EC noted that and recommended to issue an amendment to the G.O. MS No. 170, dated 09.12.2016, duly incorporating the following:

i. With regard to investment Subsidy component of revised IT policy issued vide G.O.Ms.No.20, EC felt that post issuance of the guidelines the benefit may be extended accordingly.

ii. To consider Dixon Technologies and the following subsidiaries having 50% or more equity for extension of benefits covered under the GO issued in the name of Dixon, subject to the condition that Dixon will give an undertaking that in the event of any default by Dixon and its subsidiaries in any form, the liability lies with Dixon.

a. Dixon Appliances Pvt. Ltd
b. Dixon Bhurji Moulding Pvt. Ltd
c. Padget Electronics Pvt. Ltd
d. Aditya Dixon Electronics Pvt. Ltd
e. Dixon Global Pvt. Ltd

iii. To provide the same benefits to the first (15) ancillaries in the notified EMCs in the State, subject to fulfilling the ancillary criteria with the approval of SIPB
iv. To accord Mega Status to the Company and to include the same in the G.O.
v. To provide sheds on lease basis for 30 years Industrial Park in Tirupati Industrial Area
vi. APIIC to provide power upto the doorstep of the Company.
vii. Training subsidy @ Rs.10,000 per employee as per the precedence.

4. With regard employment definition of the Mega Project, EC recommended to examine the proposal on case to case basis if the employment is more than 2000 in terms of how much portion of employment from third party roles should be part of the Mega definition.

5. In the reference 4th read above, the State Investment Promotion Board(SIPB) has examined the proposal of M/s Dixon Technologies, in detail and the Board discussed the proposal in detail and decided to issue amendment to the G.O. MS No. 170, dated 09.12.2016, duly incorporating the following:

i. SIPB directed IT and Industries Department to examine the investment subsidy component of revised IT policy issued vide G.O.Ms.No.20, with the help of Sri Kutumba Rao, Vice Chairman, Planning Board and to extend the benefit accordingly, post issuance of the guidelines.

ii. To consider Dixon Technologies and the following subsidiaries having 50% or more equity for extension of benefits covered under the GO issued in the name of Dixon, subject to the condition that Dixon will give an undertaking that in the event of any default by Dixon and its subsidiaries in any form, the liability lies with Dixon

a. Dixon Appliances Pvt. Ltd
b. Dixon Bhurji Moulding Pvt. Ltd
c. Padget Electronics Pvt. Ltd
d. Aditya Dixon Electronics Pvt. Ltd
e. Dixon Global Pvt. Ltd

iii. To provide the same benefits to the first (15) ancillaries in the notified EMCs in the State, subject to fulfilling the ancillary criteria with the approval of SIPB
iv. To accord Mega Status to the Company and to include the same in the G.O.
v. To provide sheds on lease basis for 30 years Industrial Park in Tirupati Industrial Area

vi. APIIC to provide power upto the doorstep of the Company.
vii. Training subsidy @ Rs. 10,000 per employee as per the precedence.

With regard to the request of the Electronic Companies for inclusion of contract employees in defining the Mega Project in terms of employment, the Board after detailed discussions, decided to consider the contract employees also part of the employment while considering the Mega definition, subject to the following conditions

a. The service provider, which is supplying contractual employees to the Company should register with Labour Department
b. The Company /Service provide shall comply with Labour Regulations such as Minimum wages, ESI, PF etc, as amended from time to time.

6. Government after careful consideration of the recommendations of the State Investment Promotion Board hereby extend the following incentives to M/s Dixon Technologies for their proposed facility in Industrial Park in Tirupati Industrial Area with an investment of Rs 150 Crore with an employment of 1,500 over a period of 3 years:

i. To accord Mega Status to the Company, subject to condition that either the Company shall invest a minimum of Rs.100 Crore or create employment to 1000 people.
ii. To extend the investment subsidy component of revised IT policy issued vide G.O.Ms.No.20 post discussions and issuance of the operational guidelines.
iii. To consider Dixon Technologies and the following subsidiaries having 50% or more equity for extension of benefits covered under the GO issued in the name of Dixon, subject to the condition that Dixon will give an undertaking that in the event of any default by Dixon and its subsidiaries in any form, the liability lies with Dixon

    a. Dixon Appliances Pvt. Ltd
    b. Dixon Bhurji Moulding Pvt. Ltd
    c. Padget Electronics Pvt. Ltd
    d. Aditya Dixon Electronics Pvt. Ltd
    e. Dixon Global Pvt. Ltd

iv. To provide the same benefits to the first (15) ancillaries in the notified EMCs in the State, subject to fulfilling the ancillary criteria with the approval of SIPB
v. To provide sheds on lease basis for 30 years Industrial Park in Tirupati Industrial Area
vi. APIIC to provide power upto the doorstep of the Company.
vii. Training subsidy @ Rs. 10,000 per employee as per the precedence.
viii. To consider the contract employees also part of the employment while considering the Mega definition, subject to the following conditions
    i. The service provider, which is supplying contractual employees to the Company s hould register with Labour Department

ii. The Company /Service provide shall comply with Labour Regulations such as Minimum wages, ESI, PF etc, as amended from time to time.

7. The Director of Industries, Andhra Pradesh, Vijayawada shall take necessary action, accordingly and intimate the status of the progress of work done by the unit from time to time to the Government.

(BY ORDER AND IN THE NAME OF THE GOVERNER OF ANDHRAPRADESH)

SOLOMON AROKIARAJ
SECRETARY TO GOVERNMENT &
COMMISSIONER FOR INDUSTRIAL PROMOTION

To
The Director of Industries, Andhra Pradesh, Vijayawada.
M/s Dixon Technologies through the Director of Industries, Andhra Pradesh.
The PR& RD (PR) Department.
The MA& UD Department.
The H.M.& F.W. Department.
The Collector& District Magistrate, Chittoor District.
The VC&MD,APIIC Ltd. Vijayawada.
The General Manager, District Industries Centre, Chittoor District.
The Zonal Manager, APIIC, Chittoor.

Copy to
The Finance (EBS-VIII)Department.
The Revenue (CT) Department.
The Revenue (Registration) Department.
The Law(H) Department.
The Accountant General, Andhra Pradesh
The Commissioner of Commercial Taxes
The Vice Chairman & Managing Director, APIIC.
P.S. to Secretary to Chief Minister
P.S. to Chief Secretary to Government
P.S. to Secretary to Government& CIP, Industries & Commerce Dept.
SC/SF.

//FORWARDED::BY ORDER//

SECTION OFFICER